

## **INCJ sells holding in Harmonic Drive SE holding company**

**Tokyo, April 23, 2021** – INCJ, Ltd. announced today that it has signed an equity transfer agreement to sell its entire holding in GK HD Management (“HDM”), a special purpose company jointly established alongside Harmonic Drive Systems Inc. (“HDSI”) for the purpose of acquiring shares in the German precision gear manufacturer Harmonic Drive SE (“HDSE”), to Harmonic Drive Systems Inc. (“HDSI”).

### **About Harmonic Drive SE**

Established: 1970 (formerly Harmonic Drive AG)

Headquarters: Limburg, Germany

Representative: Norimitsu Ito, CEO

Business outline: Manufacture and sales of mechatronics products used in industrial robots and semiconductor manufacturing equipment, as well as precision speed reducer gears (Harmonic Drive®)

URL: <https://harmonicdrive.de/en/home/>

### **About GK HD Management**

Headquarters: Shinagawa-ku, Tokyo

Representative: Akira Nagai, Harmonic Drive Systems Inc., Representative Member

Business outline: Special Purpose Company (SPC) with a 63.2% stake in HDSE; 40% is owned by INCJ, 60% is owned by HDSI

### **About Harmonic Drive Systems Inc.**

Established: October 1970

Headquarters: Shinagawa-ku, Tokyo

Representative: Akira Nagai, President and Representative Director

Business outline: Manufacture and sales of mechatronics products used in industrial robots and semiconductor manufacturing equipment, as well as precision speed reducer gears (Harmonic Drive®)

URL: <https://www.hds.co.jp/english/>

### **About INCJ, Ltd.**

INCJ, Ltd. was established in September 2018 via company split from Innovation Network Corporation of Japan (INCJ). INCJ was established in July 2009 with the aim of overcoming boundaries between companies and industries, creating and nurturing key industries via open innovation for the prosperity of future generations. Following revisions to its governing law—the

Industrial Competitiveness Enhancement Act—the continuing company changed its name to Japan Investment Corporation (JIC) and began new activities. INCJ, Ltd. is mandated until March 2025 to pursue the activities of the original Innovation Network Corporation of Japan, engaging in “Value Up” initiatives at portfolio companies, making additional and milestone investments, and developing exit strategies from investments in portfolio companies.

URL: <http://www.incj.co.jp/english/>

## Appendix

### **Target: Harmonic Drive SE**

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### **Overview of investment**

Announcement date: December 2016

Authorized investment: EUR106 million (maximum)

Amount invested: EUR104.2 million

- Press release:

INCJ announces joint acquisition of German company Harmonic Drive AG together with Harmonic Drive Systems Inc.

<https://www.incj.co.jp/english/newsroom/upload/docs/a2e93c4a80c19ab1c1877131806dc6f32ed71381.pdf>

### **1. Background of investment**

Harmonic Drive Systems Inc. ("HDSI") is a manufacturing company whose main products include mechatronics products and precision gear. Its flagship product, Harmonic Drive®, is a compact and lightweight precision gear. With the intention of jointly acquiring Harmonic Drive SE ("HDSE"), HDSI and INCJ decided to establish a special purpose company, GK HD Management ("HDM"), for the purchase of HDSE shares and in pursuit of the following goals: to solidify the competitive advantage of Japanese companies in the precision gear market for industrial robots; to promote the spread of "co-bots," which are robots that support collaborative work alongside humans; and to realize the creation of a highly competitive global company. INCJ proceeded to invest 104.2 million euros in the company, having announced in December 2016 that it would invest a maximum of 106 million euros.

### **2. Business progress**

HDSI had been producing products mainly in Japan and the United States. Following the acquisition of HDSE by INCJ and HDSI, HDSI gained access to the European-led industrial robot and co-bot markets, increasing its competitive ability in the global market for compact precision gears and expanding overseas sales. HDSI has also contributed to the development of advanced medical equipment, such as that used for MRI screenings and endoscopes, by utilizing HDSE's development expertise of ultra-compact planetary gears. HDSI has grown from a superior, local company based in Hotaka, Nagano Prefecture, Japan to a global precision gear company with

bases in Japan, the U.S. and Europe.

**3. Reason for exit**

INCJ has fulfilled its original objective of supporting the global expansion of a superior, local Japanese company and solidifying its competitive advantage within the precision gear market for industrial robots. It has therefore been determined that HDSI should make HDSE a wholly owned subsidiary in order to promote further synergies, with INCJ deciding to transfer all of its stake in HDM to HDSI.

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